HOUSE BILL 551

By Fitzhugh

AN ACT to amend Tennessee Code Annotated, Title 33; Title 56; Title 63 and Title 68, relative to access to information regarding the costs of medical services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the "Cost Accountability and Verification Act."

SECTION 2. Tennessee Code Annotated, Title 56, Chapter 7, Part 10, is amended by adding the following language as a new section:

(a) All carriers shall establish a toll-free telephone number and web site that enable any insured to request and obtain from the carrier, within two (2) business days of the request, the estimated amount for a proposed admission, procedure, or service and the estimated amount the insured will be responsible to pay for a proposed admission, procedure, or service that is a medically necessary covered healthcare benefit, based on the information available to the carrier at the time the request is made, including any facility fee, copayment, deductible, coinsurance, or other out-of-pocket amount for the medically necessary covered healthcare benefit.

(b) The carrier shall clearly state to the insured that amounts provided pursuant to this section are estimated amounts and that the actual amount the insured will be responsible to pay may vary due to unforeseen services that arise out of the proposed admission, procedure, or service.

(c) Nothing in this section prevents carriers from imposing cost-sharing requirements disclosed in the insured's evidence of coverage for unforeseen services that arise out of the proposed admission, procedure, or service.

(d) For purposes of this section:

(1) “Carrier” means an entity subject to the insurance laws and rules of this state, or subject to the jurisdiction of the commissioner, that contracts or offers to contract to provide, deliver, arrange for, pay for, or reimburse any of the costs of healthcare services, including a sickness and accident insurance company, a health maintenance organization, a nonprofit hospital and health service corporation, or any other entity providing a health benefit plan;

(2) “Facility” means an institution licensed under title 33 or 68, providing healthcare services or a healthcare setting, including, but not limited to, hospitals and other licensed inpatient centers; ambulatory surgical or treatment centers; skilled nursing centers; residential treatment centers; diagnostic, laboratory, and imaging centers; and rehabilitation centers;

(3) “Health benefit plan”:

(A) Means a policy, contract, certificate, or agreement offered or issued by a carrier to provide, deliver, arrange for, pay for, or reimburse any of the costs of healthcare services; and

(B) Does not include hospital indemnity, accident, dental, specified disease, disability income, long-term care, Champus supplement, or Medicare supplement;

(4) “Insured”:

(A) Means a party named on a health benefit plan as the person with legal rights to the benefits provided by the health benefit plan; and

(B) Includes, for group insurance, a person who is a beneficiary covered by a group health benefit plan; and

(5) “Medically necessary” means healthcare services that:

(A) An insured is entitled to under a health benefit plan;

(B) A physician, exercising prudent clinical judgment, would provide to a patient for the purpose of preventing, evaluating, diagnosing, or treating an illness, injury, or disease; and

(C) Are:

(i) In accordance with generally accepted standards of medical practice;

(ii) Clinically appropriate, in terms of type, frequency, extent, site, and duration; and considered effective for the patient's illness, injury, or disease;

(iii) Not primarily for the convenience of the patient, physician, or other healthcare provider; and

(iv) Not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that patient's illness, injury, or disease.

SECTION 3. Tennessee Code Annotated, Title 68, Chapter 11, Part 2, is amended by adding the following language as a new section:

(a) Prior to an admission, procedure, or service and upon request by a patient or prospective patient, a healthcare provider shall, within two (2) business days of the request, disclose to the patient or prospective patient the allowed amount for the admission, procedure, or service, including any facility fee; provided, if a healthcare provider is unable to quote a specific amount in advance due to the healthcare provider's inability to predict the specific treatment or diagnostic code, the healthcare provider shall disclose to the patient or prospective patient the estimated amount for the proposed admission, procedure, or service, including any facility fee.

(b) If a patient or prospective patient is covered by a health benefit plan, a healthcare provider who participates as a network provider shall, upon request of a patient or prospective patient, provide, based on the information available to the healthcare provider at the time of the request, sufficient information regarding the proposed admission, procedure, or service for the patient or prospective patient to use the carrier's toll-free telephone number and web site established under Section 2 of this act. A healthcare provider may assist a patient or prospective patient in using the carrier's toll-free number and web site.

(c) As used in this section:

(1) "Facility" has the same meaning as provided in Section 2 of this act;

(2) "Health benefit plan" has the same meaning as provided in Section 2 of this act;

(3) "Healthcare professional" means a physician or other healthcare practitioner licensed, accredited, or certified to perform specified healthcare services pursuant to title 63; and

(4) "Healthcare provider" means a healthcare professional or a facility.

SECTION 4.

(a) The commissioner of commerce and insurance and the commissioner of health are authorized to promulgate rules to effectuate the purposes of this act.

(b) The commissioner of commerce and insurance and the commissioner of health are encouraged to work cooperatively when promulgating rules pursuant to this act in order to avoid conflict between the two sets of rules.

(c) All rules shall be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 5. For purposes of promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2016, the public welfare requiring it.